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# **SOUTH CAROLINA STATE DEVELOPMENT BOARD**

## **ANNUAL REPORT**

### **1976-77**



**Printed Under the Direction of the  
State Budget and Control Board**

**SOUTH CAROLINA  
STATE DEVELOPMENT BOARD**

**ANNUAL REPORT**

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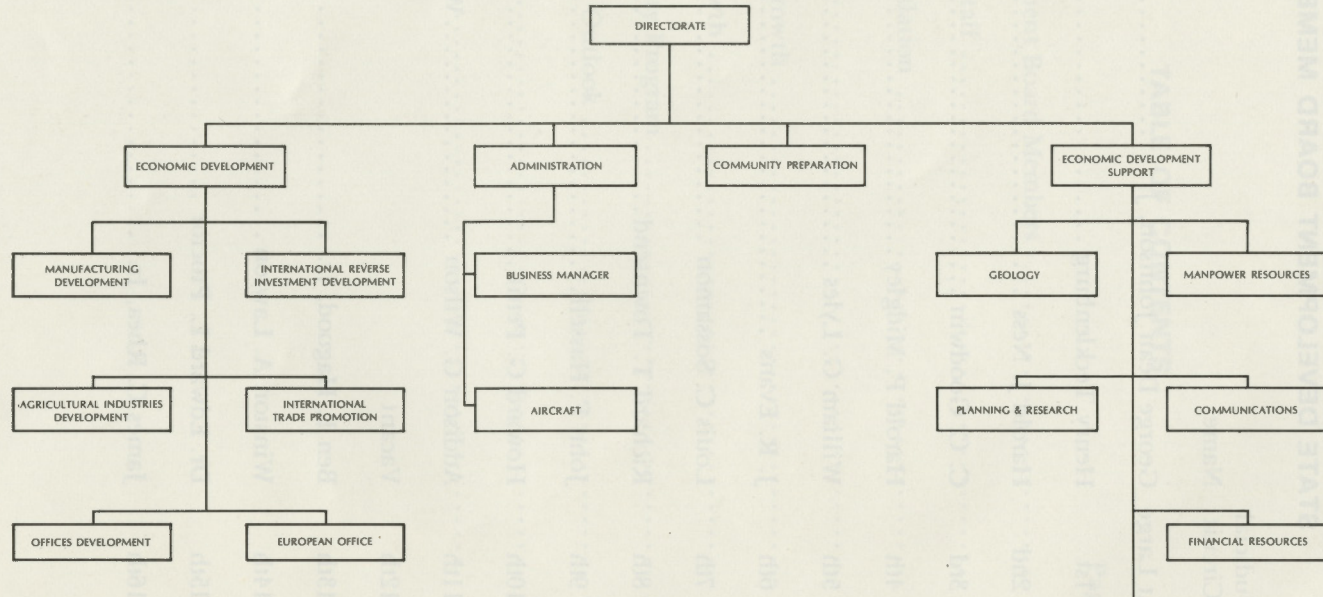
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# **SOUTH CAROLINA STATE DEVELOPMENT BOARD MEMBERS**

Judicial Circuit	Name	City
At Large	George Dean Johnson, Jr. ....	Spartanburg
1st	Henry Tecklenburg .....	Orangeburg
2nd	Harold J. Ness .....	Denmark
3rd	C. C. Goodwin .....	Sumter
4th	Harold P. Midgley .....	Bennettsville
5th	William G. Lyles .....	Columbia
6th	J. R. Evans .....	Lancaster
7th	Louis C. Sossamon .....	Gaffney
8th	Richard T. Townsend .....	Laurens
9th	John F. Hassell .....	Charleston
10th	Howard G. Pettit .....	Walhalla
11th	Addison G. Wilson .....	West Columbia
12th	Vacant	
13th	Ben F. Hagood, Jr. ....	Pickens
14th	Winston A. Lawton .....	Estill
15th	Dr. Edward L. Proctor .....	Conway
16th	James C. Rhea, Jr. ....	Rock Hill

## SOUTH CAROLINA STATE DEVELOPMENT BOARD ORGANIZATION CHART



## **MANAGEMENT STAFF OF THE SOUTH CAROLINA STATE DEVELOPMENT BOARD**

Robert E. Leak	Director
F. Earl Ellis	Deputy Director
Robert E. Glover	Associate Director for Economic Development
Edward B. Burgess	Associate Director for Planning and Research
G. L. Daniel	Associate Director for Communications
N. K. Olson	State Geologist
P. M. Smurthwaite	Manager, Community Preparation
Caleb Whitaker	Manager, Reverse Investment, International Development
Robert Whitaker	Manager, Trade Promotion, International Development
Howard Folkman	Manager, Manpower Resources
Craig Cameron	Coordinator, Existing Industries



## **ENABLING LEGISLATION**

The South Carolina State Development Board was created for the purpose of conducting an adequate Statewide planning program and Statewide program for the stimulation of economic activity to develop the potentialities of the State; to conserve, restore and develop the natural and physical, the human and social, the economic and productive resources of the State; to promote public interest in the development of the State, through cooperation with public agencies, private enterprises, and charitable and social institutions; to promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, and the utilization and investment of capital within the State; to assist in the development of existing State and interstate trade, commerce and markets for South Carolina goods and in the removal of barriers to the industrial, commercial and agricultural development of the State; to assist in insuring stability in employment; to increase the opportunities for employment of the citizens of the State; to devise ways and means to raise the living standards of the people of the State; and to advance the general welfare of the people.

## **HISTORY**

The South Carolina State Development Board was created originally in 1942 as the Preparedness for Peace Commission. In 1945 enabling legislation was amended and the agency's name changed to the Department of Research, Planning and Development. Under the 1945 Amendment, the State Development Board assumed the responsibilities of the State Board of Housing, the Building Council of South Carolina, the South Carolina Commerce Department Board, the South Carolina Intra-Coastal Waterway Commission, the State Commission of Port Development, the South Carolina Board for Promotion of External Trade, and the Natural Resources Commission.

Since the 1945 Amendment, some of the responsibilities of the State Development Board have been transferred to other agencies by executive order and legislative amendments. Under Act 682, 1954, the name of the agency was changed from Department of Research, Planning and Development to The State Development Board.

## A DECADE OF GROWTH

A review of the past ten years reveals that South Carolina has shown much progress towards its goal of providing a better economic environment for all South Carolinians.

One of the major measurements of progress is income and in both personal and per capita income South Carolina has raised its standards considerably during these past ten years. Personal income, reaching nearly \$15 billion in 1976, has risen 173% since 1966 and now accounts for 1.1% of total personal income in the U. S. During these same years U. S. income increased by 136%.

The growth in per capita income in South Carolina of 141% was also better than the national average growth rate of 115%. The average South Carolinian's income increased by \$2,999 rising from \$2,127 in 1966 to \$5,126 in 1976. South Carolina per capita income in 1976 amounted to 80% of the U. S. average, a substantial increase from the 71% in 1966.

These gains can be partially attributable to the increase in employment opportunities which have occurred in South Carolina. Total employment in 1976 reached 1.2 million, 93% of the state's civilian labor force. Due to methodology changes comparable employment figures are only available for the past six years but these show a 23% gain, representing an average annual increase of nearly 4%. Total employment since 1970 has increased 23% while population during this same period increased 9.9%. Overall employment increased by 217,000 which is especially significant since it occurred over the recession years of 1974-75.

During the decade wages paid to manufacturing workers also increased. In 1966 average weekly wages were \$82.32 and in 1976 this average had risen to \$157.96. This was a 92% increase and brought the South Carolina average weekly wages up to 76% of the U. S. average.

An influential factor in the development of such increases was the substantial industrial development which occurred during these ten years. The establishment of new industries and the expansions of existing industries not only provide substantial capital investment for South Carolina but also create new jobs. Table I shows that during the years of 1967-76, 1,626 plants added 131,284 jobs and invested over \$5.8 billion in South Carolina.



**TABLE I**  
**ANNOUNCED INDUSTRIAL DEVELOPMENT**  
**IN SOUTH CAROLINA BY MANUFACTURING INDUSTRIES**  
**1967-1976**

Industry	Number of New & Expanded Plants	% of Total	Employ- ment	% of Total	Capital Investment (\$000)	% of Total
Food & Kindred Products.	77	4.7	2,389	1.8	106,164	1.8
Textiles .....	350	21.5	27,626	21.0	702,287	12.0
Apparel .....	199	12.2	17,614	13.4	64,102	1.1
Lumber and Wood Products.....	124	7.6	5,606	4.3	122,330	2.1
Paper, Printing & Allied .	84	5.2	3,097	2.4	241,799	4.1
Chemical & Allied .....	162	10.0	19,673	15.0	2,798,619	47.9
Metalworking .....	460	28.3	43,032	32.8	1,234,529	21.1
Remaining* .....	170	10.5	12,247	9.3	568,158	9.7
Total.....	1,626		131,284		\$5,837,988	

\*Includes tobacco; petroleum; rubber and plastics; leather; stone, clay and glass; and miscellaneous.

Source: Planning and Research Division

South Carolina State Development Board

Three industry categories dominated industrial development during the past ten years providing 81% of the announced investment and 69% of the new employment. The capital intensive Chemical and Allied Industries alone contributed \$2.8 billion or 47.9% of the total investment and 15.0% of the employment; Metalworking Industries contributed \$1.2 billion or 21.1% of the investment and 32.8% of the employment; and the labor intensive Textile Industries added \$702 million or 12.0% of the investment and 21.0% of the employment (Table I).

In addition to the Manufacturing Industries, non-manufacturing sectors also experienced strong economic growth and increased employment. Such increases produced a redistribution of employment as shown in Table II and contributed to a more diversified economic base for South Carolina.

**TABLE II**  
**EMPLOYMENT DISTRIBUTION BY INDUSTRY SECTOR**

	1966	1976
Manufacturing .....	42.7%	35.6%
Mining .....	0.2	0.2
Contract Construction .....	6.6	5.9
Transportation and Public Utilities ...	4.1	4.1
Wholesale Trade .....	3.5	3.9
Retail Trade .....	12.9	14.2
Finance, Insurance and Real Estate ....	3.4	3.8
Services .....	10.1	12.8
Government .....	16.5	19.4
Total .....	100.0	100.0

Totals may not add due to rounding.

Source: Based on data from the South Carolina Employment Security Commission.

## **A YEAR OF GROWTH**

The upward momentum of the economy begun during the previous fiscal year continued into fiscal 1976-77. This year saw an extremely harsh winter when fuel supplies ran low or became depleted and businesses were forced to use alternate fuels or close. The climate put a severe strain on many manufacturers and caused shorter work-weeks and fewer productive manhours. Spring brought relief and the economy returned to a more normal situation. By fiscal year-end economic indicators presented a picture of continuing growth but at a slower rate.

In the growing economic climate of this fiscal year, total capital investment from manufacturing plants in South Carolina leaped ahead of the previous year and represented the second best fiscal year on record. Announced investment in new and expanded manufacturing facilities totaled \$1.119 billion. This is more than double the previous fiscal year's investment of \$510 million and just



behind the 1973-74 record year total of \$1.167 billion. More than 12,000 additional jobs were created by 212 new plants and expansions.

The Metalworking Industries were the largest contributors to total investment and jobs accounting for nearly half (48.6%) of the investment and 40% of new jobs created. These new investments were expected to provide more than \$544 million in investment and create over 5,000 additional jobs. The Chemical and Allied Industries announced more than \$206 million in capital investment for 18.4% of total investment in this fiscal year. The remaining industries each contributed capital investment and employment as shown in Table III.

**TABLE III**  
**ANNOUNCED INDUSTRIAL DEVELOPMENT**  
**IN SOUTH CAROLINA BY MANUFACTURING INDUSTRIES**  
**FISCAL 1976-77**

Industry	Number of New & Expanded Plants	Capital Investment (\$000)	Employment
Food & Kindred Products .....	10	6,215	60
Textiles .....	59	140,547	831
Apparel .....	27	10,250	2,540
Lumber & Wood Products .....	7	2,135	355
Paper, Printing & Allied .....	9	38,167	65
Chemical & Allied .....	18	206,180	899
Metalworking .....	59	544,168	5,096
Remaining* .....	<u>23</u>	<u>171,732</u>	<u>2,790</u>
Total .....	212	\$1,119,394	12,636

\*Includes tobacco; petroleum; rubber and plastics; leather; stone, clay and glass; and miscellaneous.

Source: Planning and Research Division  
South Carolina State Development Board

### THE COMMUNITY PROGRAM

During this fiscal year, the State Development Board established the Community Preparation Department which has the specific purpose of administering the GREAT (Governor's Rural Economic Achievement Trophy) TOWN Program. The program was designed

to help the small towns of South Carolina (under 15,000 population) in their efforts to prepare for industrial growth.

The GREAT TOWN Program sets seven requirements for a community to achieve in order to qualify as a GREAT TOWN. Over the years it has been proven that these seven requirements effectively enhance a community's chances to attract industrial growth. The Program requires: (1) Creation of a local non-profit development corporation; (2) Survey of Community Resources; (3) Availability of a minimum of four industrial sites; (4) Brochure on the community; (5) Establishment of an Industry Committee; (6) Improvement of community appearance and quality of life; and (7) Establishment of a Development Team.

Upon satisfactory completion of these requirements, as determined by a team of development professionals, the town is declared a GREAT TOWN and is presented a trophy attesting to this status by the Governor. Within the first year of this program, five communities have been designated as a GREAT TOWN and 35 are actively working towards this goal.

### **THE ECONOMIC OUTLOOK**

The long range outlook for the U. S. economy is for a real growth rate to average about 3.2% annually to 1988. According to the Economics Department, McGraw-Hill Publications, total GNP will reach \$4.3 trillion; population will be 239 million; employment 103 million; the unemployment rate will be 4.75%; and the inflation rate 4%. These projections are considered conservative by some forecasters who expect even more growth. To achieve these levels, U. S. companies will have to plan for such growth, embrace changes in technology, reestablish energy patterns and establish new social and environmental goals.

Long term growth rates in South Carolina are projected to be higher than the U. S. averages according to the National Chamber Forecasting Center. This trend is expected to continue through 1980 and will assist South Carolina to narrow the gap now existing between the state and the nation in jobs and income. Nonagricultural employment should experience a 2.9% annual growth rate compared to the 2.3% projected for the nation.

Incomes which are growing at a faster rate than the U. S. will continue at this pace and by 1980 the National Chamber Forecasting Center estimates that per capita income in South Carolina will have risen to 88% of the U. S. average. This growth of 8% in four years will



enable South Carolinians to increasingly enjoy the many benefits of a better quality of life.

Chase Econometric Associates, a unit of Chase Manhattan Bank, has projected major growth for the southeast for the decade 1976-85. Personal incomes are projected to rise 138%, a considerable increase over the U. S. rate of 120%. In employment, the southeast also will gain more than the nation, rising 32% compared to 26% for the U. S. And in housing, the projections indicate that construction in the southeast will return to 1972's record level by 1980.

In the industrial development field there must be an awareness of long term economic trends due to the large capital investment costs and long lead time required for new industry to come on stream. But this awareness must be balanced against short-term fluctuations which have an immediate impact. A government economic policymaker has acknowledged that the economy is slowing down and that the outlook for the rest of 1977 is tenuous at best. It may be, he further indicated, that the economy is heading into a decline, or a recession. The economic indicators during the past few months have been disappointing and generally downward showing an economy, which is at best, slowing down. Some statisticians insist the recovery will continue but others talk about a troubled economy. Many administration officials and private forecasters presently feel that the economy will again resume its growth after a few months of sluggishness.

The South Carolina economic indicators present a picture of continuing economic growth but at a slowing rate. This is expected to continue for some months. During any immediate downturn or recessionary period which might occur, the South Carolina economy, according to the National Chamber Forecasting Center, is expected to outperform the U. S. economy in terms of continued growth. South Carolina's economy is benefiting from the modernization of plant and equipment and diversification of industry and these factors are expected to act as a bulwark in the coming years.

**PUBLICATIONS OF  
THE SOUTH CAROLINA STATE DEVELOPMENT BOARD**

South Carolina Industrial Directory  
Profile for Profit  
South Carolina News  
South Carolina Metalworking Directory  
Supportive Services  
South Carolina International Trade Directory  
Foreign Trade Zone Brochure  
Taxes in South Carolina  
Technical Training in South Carolina  
Expedite  
Industrial Financing in South Carolina  
South Carolina: Gateway to United States Markets  
Growing Opportunities in South Carolina  
Directory of Agricultural Industries in South Carolina  
Geologic Notes  
Geologic Bulletins  
Geologic Map Series  
Mineral Resources Series  
Geologic Papers and Articles  
Catalog of Geologic Publications  
Directory of South Carolina Mineral Producers  
Field Trip Guide Books



# 1976 - 1977

## STATE DEVELOPMENT BOARD BUDGET

Administration .....	\$ 601,915
Economic Development .....	1,558,499
Division of Geology .....	<u>230,882</u>
Total Expenditures .....	\$2,391,296